IOU Financial Inc.

Condensed Consolidated Interim Financial Statements

For the Three- and Six- Month Period Ended June 30, 2023 and 2022

NOTICE OF NO AUDITOR REVIEW

The accompanying condensed consolidated interim financial statements of IOU Financial Inc. for the three- and six- month period ended June 30, 2023 and 2022 have not been reviewed or audited by the Company's auditors.

IOU FINANCIAL INC.

Condensed Consolidated Interim Financial Statements

For the Three- and Six- Month Period Ended
June 30, 2023 and 2022

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IOU FINANCIAL INC.

Consolidated Statements of Financial Position
As at June 30, 2023 and December 31, 2022
(in Canadian dollars)

	Note	**June 30, 2023** **$** **(unaudited)**	December 31, 2022 $
Assets			
Cash and cash equivalents		**3,625,273**	4,154,133
Commercial loans receivable, net	**5**	**7,370,047**	7,222,270
Servicing assets, net	**6**	**4,348,872**	3,294,577
Due from loan purchasers	**7**	**4,506,900**	6,797,295
Other receivables	**8**	**1,423,955**	1,522,799
Equipment and leasehold improvements, net		**139,714**	182,505
Intangible assets	**9**	**1,899,642**	1,698,209
Lease receivable	**10**	**392,357**	432,302
Right-of-use assets	**10**	**565,034**	80,221
Other assets		**484,311**	424,829
Total Assets		**24,756,105**	25,809,140
Liabilities			
Accounts payable and accrued liabilities		**3,460,696**	3,164,329
Due to loan purchasers	**7**	**842,096**	422,639
Convertible debentures	**11**	**4,391,917**	4,359,670
Lease liabilities	**10**	**1,021,269**	550,122
Total Liabilities		**9,715,978**	8,496,760
Shareholders' Equity			
Share capital		**28,973,539**	28,957,553
Contributed surplus		**4,981,118**	4,925,093
Accumulated other comprehensive income		**2,872,125**	3,291,686
Accumulated deficit		**(21,786,655)**	(19,861,952)
Total Shareholders' Equity		**15,040,127**	17,312,380
Total Liabilities and Shareholders' Equity		**24,756,105**	25,809,140

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved by the Board on August 28, 2023

Robert Gloer (signed), Director
Neil Wolfson (signed), Director

IOU FINANCIAL INC.

Consolidated Statements of Comprehensive Income/(Loss)
For the Three- and Six- Month Period Ended June 30
(in Canadian dollars)
(unaudited)

	Note	**3 Months Ended 2023 $**	3 Months Ended 2022 $	**6 Months Ended 2023 $**	6 Months Ended 2022 $
Revenues:					
Servicing	**7**	**2,688,580**	3,064,808	**5,144,908**	5,484,285
Gain on sale	**5**	**3,725,329**	3,391,357	**6,707,060**	6,865,738
Amortization of servicing assets	**6**	**(2,020,418)**	(2,076,237)	**(3,584,863)**	(3,772,029)
Other fees		**581,474**	779,677	**1,227,458**	1,420,418
Total Revenue		**4,974,965**	5,159,605	**9,494,563**	9,998,412
Operating Expenses	**13**	**5,528,813**	4,169,047	**11,353,972**	7,948,797
Operating Income (Loss)		**(553,848)**	990,558	**(1,859,409)**	2,049,615
Other Income (Expense):					
Interest income		**17,021**	24,166	**39,637**	59,943
Net recovery on loans	**5**	**243,153**	113,373	**182,744**	374,777
Debenture interest expense	**11**	**(144,019)**	(204,653)	**(287,675)**	(443,487)
Total Other Income (Expense), net		**116,155**	(67,114)	**(65,294)**	(8,767)
Income (Loss) Before Income Taxes		**(437,693)**	923,444	**(1,924,703)**	2,040,848
Income Taxes		**-**	-	**-**	-
Net Income (Loss)		**(437,693)**	923,444	**(1,924,703)**	2,040,848
Currency translation differences		**(409,480)**	676,998	**(419,561)**	354,973
Comprehensive Income (Loss)		**(847,173)**	1,600,442	**(2,344,264)**	2,395,821
Earnings (Loss) per Share:					
Basic	**12**	**0.00**	0.01	**(0.02)**	0.02
Diluted	**12**	**0.00**	0.01	**(0.02)**	0.02

Income/(Loss) and Comprehensive Income/(Loss) are entirely attributable to the shareholders of the Company. Other Comprehensive Income/(Loss) is entirely subject to be reclassified to Income.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IOU FINANCIAL INC.

Consolidated Statements of Changes in Shareholders' Equity
For the Six-Month Period ended June 30, 2023 and 2022
(in Canadian dollars, except as otherwise noted)
(unaudited)

Note	Common Shares (#)	Share Capital ($)	Contributed Surplus ($)	Accumulated OCI [1] ($)	Accumulated Deficit ($)	Shareholders Equity ($)
Balance as at December 31, 2021	104,990,596	28,929,953	4,764,941	1,711,442	(19,900,778)	15,505,558
Comprehensive income for the period				354,973	2,040,848	2,395,821
Exercise of Stock options	345,000	27,600				27,600
Stock-based compensation			49,194			49,194
Balance as at June 30, 2022	105,335,596	28,957,553	4,814,135	2,066,415	(17,859,930)	17,978,173
Balance as at December 31, 2022	105,335,596	28,957,553	4,925,093	3,291,686	(19,861,952)	17,312,380
Comprehensive loss for the period				**(419,561)**	**(1,924,703)**	**(2,344,264)**
Exercise of stock options	**200,000**	**15,986**				**15,986**
Stock-based compensation			**56,025**			**56,025**
Balance as at June 30, 2023	**105,535,596**	**28,973,539**	**4,981,118**	**2,872,125**	**(21,786,655)**	**15,040,127**

[1] OCI: Other Comprehensive Income

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IOU FINANCIAL INC.

Consolidated Statements of Cash Flows
For the Six-Month Period Ended June 30
(in Canadian dollars)
(unaudited)

	Note	2023	2022
		$	$
Operating Activities			
Net income (loss) for the period		**(1,924,703)**	2,040,848
Adjustment for non-cash items included in net income (loss)	14	**(734,179)**	(647,385)
Interest expense	11	**287,675**	443,487
Gain on sale of commercial loans	5	**(1,979,259)**	(2,151,788)
Origination of commercial loans	5	**(134,976,605)**	(149,078,272)
Proceeds from sale of commercial loans	5	**136,611,944**	152,158,796
Interest received		**-**	34,081
Interest paid		**(223,951)**	(353,364)
Change in other operating assets/liabilities	14	**3,053,654**	3,594,943
Cash generated in operating activities		**114,576**	6,041,346
Investing Activities			
Additions to equipment and leasehold improvements		**(3,593)**	(80,524)
Additions to intangible assets	9	**(485,328)**	(535,131)
Reductions to restricted cash		**-**	986,725
Cash (used) generated in investing activities		**(488,921)**	371,070
Financing Activities			
Redemption of convertible debentures	11	**(32,153)**	(2,094,433)
Cash received on exercise of stock options		**15,986**	27,600
Lease payments received	10	**39,945**	36,884
Decrease in lease liabilities	10	**(77,048)**	(114,071)
Cash used in financing activities		**(53,270)**	(2,144,020)
Net (Decrease) Increase in Cash		**(427,615)**	4,268,396
Exchange rate differences on cash		**(101,245)**	145,620
Cash beginning of period		**4,154,133**	7,358,752
Cash end of period		**3,625,273**	11,772,768

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. General Information

IOU Financial Inc. ("IOU Financial", "We", "us", "our" or "the Company") is a wholesale lender that provides small businesses quick and easy access to growth capital through a network of preferred brokers across the US. We also operate a commercial lending brokerage business through our wholly owned subsidiary, ZING Funding. As a marketplace lender we sell substantially all loans that we originate to institutional purchasers and retain the right to service those loans on behalf of the purchasers in exchange for servicing fees based on collections.

We were incorporated under Part IA of the Companies Act (Quebec) and are governed by the Business Corporations Act (Quebec). IOU Financial is a public company listed on the TSX Venture Exchange (TSX-V) with its registered office located at 1 Place Ville-Marie, Suite 1670, Montréal, Quebec, Canada.

2. Basis of Preparation

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") including IAS 34 *Interim Financial Reporting*. Accordingly, certain information and footnote disclosure normally included in the annual consolidated financial statements has been omitted or condensed and therefore these interim financial statements should be read in conjunction with the annual audited consolidated financial statements.

These condensed consolidated interim financial statements have been prepared using the historical cost basis except where indicated. The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company's consolidated financial statements as at and for the year ended December 31, 2022. There have been no new accounting standards adopted in the six-month period ended June 30, 2023.

Presentation of certain prior year amounts have been conformed to current year presentation. We changed the presentation of these amounts in connection with the transition of our business to the marketplace model. Prior to our transition to the marketplace model, interest that we collected from loans held on balance sheet (OTH loans) was our primary source of revenue. We funded those loans primarily through borrowings on lines of credit and we presented the associated interest expense as a cost of revenue. Similarly, we previously presented the provision for loan losses, net of recoveries, as a cost of revenue. These costs of revenue were deducted from gross revenue to arrive at Net Revenue in our Consolidated Statements of Comprehensive Income (Loss).

With our transition to the marketplace model, interest income is no longer a primary source of revenue, we no longer access lines of credit to fund OTH loans and provisions for loan losses have been reduced as we wind down our OTH portfolio. Accordingly, we now present interest income, interest expense and provision for loan losses, net of recoveries, as other income and expense in our Consolidated Statements of Comprehensive Income (Loss), and we no longer present Net Revenue.

We have also reclassified certain amounts from other receivables to due from loan purchasers to better reflect amounts owed to us by our loan purchasers and reclassified certain fees collected from loan purchasers for collections made on delinquent loans by internal collection personnel between operating expenses and other fees.

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors of the Company on August 28, 2023.

3. Use of Estimates and Judgments

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates in the process of applying the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the audited consolidated financial statements for the year ended December 31, 2022.

4. Financial Instruments

Classification and Measurement – Financial Assets and Liabilities

When measuring the fair value of an asset or liability, we use market observable data as much as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. Currently, we do not make any recurring fair value measurements in the application of our accounting policies. The following table presents the classification of our financial assets and liabilities and their respective carrying amounts, which approximate their fair values. No non-recurring fair value measurements were made in the current period.

(in Canadian dollars, except as otherwise noted)

Financial Assets	Classification	Carrying Amounts ($)
Cash	Amortized cost	3,625,273
Originate-to-hold commerical loans receivable	Amortized cost	198,740
Originate-to-sell commerical loans receivable	FVTPL	7,171,307
Due from loan purchasers	Amortized cost	4,506,900
Other receivables	Amortized cost	1,423,955
Lease receivables	Amortized cost	392,357

Financial Liabilities	Classification	Carrying Amounts ($)
Accounts payable and accrued liabilities	Amortized cost	3,460,696
Due to loan purchasers	Amortized cost	842,096
Convertible debentures	Amortized cost	4,391,917
Lease liabililties	Amortized cost	1,021,269

5. Commercial Loans Receivable

As at June 30, 2023 and December 31, 2022, the Company's commercial loans receivable balance consisted of the following:

	2023	2022
	$	$
OTH loans	**367,865**	868,400
Allowance for expected credit losses	**(169,125)**	(384,672)
Net carrying amount of OTH loans	**198,740**	483,728
OTS loans held for sale	**7,171,307**	6,738,542
Commercial loans receivable, net	**7,370,047**	7,222,270

Originate-to-Hold (OTH) Commercial Loans Receivable

The fair value of OTH loans is estimated to be equivalent to their net carrying amount due to the residual short-term nature of these loans. The following table presents the movements of the allowance for expected credit losses for the six months ended June 30, 2023:

(in Canadian dollars, except as otherwise noted)

	2023
	$
Balance at January 1,	**384,672**
Activity:	
Reductions to allowance	**(182,744)**
Loans written off	**(276,393)**
Recoveries on loans previously written off	**245,513**
Translation differences	**(1,923)**
Balance at June 30,	**169,125**

Originate-to-Sell (OTS) Commercial Loans Receivable

Commercial loans receivable originated during the six months ended June 30, 2023 were sold to certain loan purchasers on a non-recourse basis for total proceeds of $136.6 million (2022: $152.2 million). OTS loans classified as held for sale as at June 30, 2023 and December 31, 2022 represent loans originated for which the sale process had not yet been completed as at the balance sheet date. The sale process for these loans was subsequentially completed shortly after the balance sheet date.

The components of the total gain on sale of loans recognized in the consolidated statements of comprehensive income for the sale of commercial loans receivable for the three- and six- months ended June 30, 2023 and 2022 is as follows:

Three Months Ended	**2023**	2022
	$	$
Servicing assets initially recognized	**2,705,534**	2,310,112
Fair value of OTS commerical loans receivable sold or held for sale in excess of carrying amount	**1,019,795**	1,081,245
Total gain on sale of loans sold	**3,725,329**	3,391,357

Six Months Ended	**2023**	2022
	$	$
Servicing assets initially recognized	**4,727,801**	4,713,950
Fair value of OTS commerical loans receivable sold or held for sale in excess of carrying amount	**1,979,259**	2,151,788
Total gain on sale of loans sold	**6,707,060**	6,865,738

(in Canadian dollars, except as otherwise noted)

6. Servicing Assets

The following table presents the change in the carrying amount of servicing assets and accumulated amortization as at and for the six-month period ended June 30, 2023:

	2023
Cost	**$**
Balance at beginning of year	**5,320,367**
Translation differences	**(137,766)**
Servicing assets recognized	**4,727,801**
Derecognition of fully amortized assets	**(3,079,138)**
Balance at end of period	**6,831,264**
Accumulated Amortization	
Balance at beginning of year	**2,025,790**
Translation differences	**(49,123)**
Amortization	**3,584,863**
Derecognition of fully amortized assets	**(3,079,138)**
Balance at end of period	**2,482,392**
Carrying Amount at end of period	**4,348,872**

7. Due from Loan Purchasers

As at June 30, 2023 and December 31, 2022, the components of due from loan purchasers are as follows:

	2023	2022
	$	$
Assets:		
Deferred service fees receivable	**3,308,658**	4,635,429
Deferred purchase price receivable	**806,519**	608,807
Other amounts due from loan purchasers	**391,723**	1,553,059
Due from loan purchasers	**4,506,900**	6,797,295
Liabilities:		
Amounts due to loan purchasers	**842,096**	422,639
Due to loan purchasers	**842,096**	422,639

(in Canadian dollars, except as otherwise noted)

Deferred service fee receivables relate to servicing fees that we have recognized as revenue but have not yet collected. These deferred service fee receivables are expected to be collected from the institutional purchaser over the term of the servicing arrangements once certain threshold levels of cash flows are received on the loans sold to the institutional purchaser. We recognize servicing revenue as we make collections on loans sold to institutional purchasers for which we retain the servicing rights. The servicing fees we charge are contractually based and generally expressed as a percentage of the amount that we collect on behalf of the loan purchasers. In certain instances, the percentage that we ultimately earn is dependent on the total amount collected from the loans sold to the institutional purchaser. In these instances, we recognize servicing revenue and deferred service fees receivable based on our ongoing estimates of total future collections on those loans that were sold and the amount of revenue we recognize is subject to adjustment based on changes in these estimates. Our estimates of future collections are dependent on estimated future performance of the commercial loan receivables sold, including our estimate of delinquencies to occur on those loans. Our estimates of future delinquencies include consideration of historical loss experience in our portfolio as well as current macroeconomic factors and our estimate of their impacts over the expected terms of the commercial loan receivables sold.

Deferred purchase price receivable represents proceeds to be collected on certain loan receivables sold once certain thresholds of expected cash flows are received on the loans sold to the institutional loan purchaser.

Other amounts due from loan purchasers represent amounts owed to us by the loan purchasers for servicing fees not subject to threshold levels of cash flows and other amounts payable to us by the purchasers. Amounts due to loan purchasers primarily represents collections from borrowers yet to be unremitted to the loan purchasers.

8. Other Receivables

As at June 30, 2022 and December 31, 2022, the components of other receivables are as follows:

	2023	2022
	$	$
Employee retention and wage credits	**1,324,463**	1,350,608
Other	**99,492**	172,191
Total	**1,423,955**	1,522,799

(in Canadian dollars, except as otherwise noted)

9. Intangible Assets

Intangible assets represent costs capitalized in connection with the development of software for internal use by the Company. The following table presents the changes in the carrying amount of intangible assets as at and for the six-month period ended June 30, 2023:

	2023
Cost	**$**
Balance at beginning of year	**2,423,934**
Translation differences	**(59,145)**
Additions	**485,328**
Balance at end of period	**2,850,117**
Accumulated Amortization	
Balance at beginning of year	**725,725**
Translation differences	**(16,935)**
Amortization expense for the period	**241,685**
Balance at end of period	**950,475**
Carrying Amount at end of period	**1,899,642**

(in Canadian dollars, except as otherwise noted)

10. Right-of-use assets, lease receivable, and lease liabilities

The following table presents the changes in the carrying amount of the right-of-use assets, lease receivable, and lease liabilities as at and for the six-month period ended June 30, 2023:

	2023
	$
Right-of-use Assets	
Balance at beginning of year	**80,221**
Additions	**560,597**
Depreciation of right-of-use assets	**(64,018)**
Translation differences	**(11,766)**
Balance at end of year	**565,034**
Lease Receivable	
Balance at beginning of year	**432,302**
Depreciation of net investment	**(39,945)**
Balance at end of year	**392,357**
Lease Liabilities	
Balance at beginning of year	**550,122**
Additions	**560,597**
Principal payments	**(77,048)**
Translation differences	**(12,402)**
Balance at end of year	**1,021,269**

We renewed our expiring US office lease as of April 1, 2023, with the new lease expiring September 30, 2028. The lease liability and right-of-use asset were measured on the lease commencement date. The right-of-use asset was measured at cost, which included the initial lease liability less lease incentives received. The right-of-use asset is being amortized on a straight-line basis over the lease term. The initial lease liability was measured as the present value of the lease payments payable over the lease term, discounted at our incremental borrowing rate.

(in Canadian dollars, except as otherwise noted)

11. Convertible Debentures

The components of the liability recognized in the consolidated statements of financial position as at June 30, 2023 and December 31, 2022 are as follows:

	2023	2022
	$	$
Par value of the Debentures	**4,459,648**	4,491,801
Unamortized discount and transaction costs	**(67,731)**	(132,131)
Convertible Debenture Liability	**4,391,917**	4,359,670

12. Earnings (Loss) per Share

For the three- and six- months ended June 30, 2023 and 2022:

<u>For the three months ended</u>:

		2023		2022
Net income (loss)	**$**	**(437,693)**	$	923,444
Weighted average number of common shares for the purposes of basic earnings per share		**105,535,596**		104,994,429
Basic earnings (loss) per share	**$**	**(0.00)**	$	0.01
Effect of dilutive securities: Options		**-**		2,480,388
Weighted average number of common shares for the purposes of diluted earnings per share		**105,535,596**		107,474,817
Diluted earnings (loss) per share	**$**	**(0.00)**	$	0.01

(in Canadian dollars, except as otherwise noted)

For the six months ended:

		2023		2022
Net income (loss)	$	**(1,924,703)**	$	2,040,848
Weighted average number of common shares for the purposes of basic earnings per share		**105,518,929**		104,991,513
Basic earnings (loss) per share	$	**(0.02)**	$	0.02
Effect of dilutive securities: Options		**-**		2,709,998
Weighted average number of common shares for the purposes of diluted earnings per share		**105,518,929**		107,701,511
Diluted earnings (loss) per share	$	**(0.02)**	$	0.02

Stock options representing common shares to be issued of 10 million for both the three- and six- month period ended June 30, 2023 (2022: 5.3 million and 5.2 million), respectively, are anti-dilutive and therefore excluded from the weighted average number of common shares for the purposes of diluted earnings per share.

13. Operating Expenses

The following table provides additional information on operating expenses for the three- and six- month period ended June 30, 2023 and 2022:

	3 Months Ended		6 Months Ended	
	2023	2022	**2023**	2022
	$	$	**$**	$
Compensation	**3,379,038**	2,259,743	**6,542,433**	4,361,587
Marketing	**184,921**	322,211	**537,371**	609,585
Data Services	**481,444**	491,966	**1,321,548**	1,007,121
Professional Services (1)	**1,098,119**	639,994	**2,062,828**	1,073,770
General & Administrative (2)	**241,930**	376,035	**601,752**	766,029
Depreciation & Amortization	**143,361**	79,098	**288,040**	130,705
Total	**5,528,813**	4,169,047	**11,353,972**	7,948,797

(1) 2023 includes $522,521 and $706,410 for the three and six months ended June 30, respectively, related to the proposed transaction announced by the Company in July 2023 - see Note 16.

(in Canadian dollars, except as otherwise noted)

(2) 2022 includes $41,279 and $106,355 for the three and six months ended June 30, respectively, related to losses on the redemption of certain convertible debentures.

14. Supplemental Cash Flow Information

Non-cash items included in net income for the six-month period ended June 30, 2023 and 2022 comprise the following:

	Note	2023 $	2022 $
Depreciation of equipment and leasehold improvements		**46,355**	37,655
Amortization of intangible assets	9	**241,685**	93,177
Amortization of servicing assets	6	**3,584,863**	3,772,029
Amortization of right-of-use assets		**64,018**	68,098
Stock-based compensation		**56,025**	49,194
Interest income		**-**	(59,943)
Servicing asset recognition	5	**(4,727,801)**	(4,713,950)
Loss on redemption of convertible debentures		**676**	106,355
Total non-cash items in net income		**(734,179)**	(647,385)

Changes in operating assets and liabilities for the six months ended June 30, 2023 and 2022 comprise the following:

	2023 $	2022 $
Commercial loans receivable	**123,261**	803,091
Deferred purchase price receivable	**(197,712)**	(40,880)
Deferred service fees receivable	**1,237,133**	(1,416,972)
Other amounts due from loan purchasers	**1,161,336**	52,266
Other receivables	**69,983**	426,072
Other assets	**(62,114)**	30,622
Due to loan purchasers	**419,457**	2,949,816
Accounts payable and accrued liabilities	**302,310**	790,928
Total	**3,053,654**	3,594,943

15. Related Party Transactions

Transactions in the Normal Course of Operations

The Company had the following transactions with related parties in the normal course of its operations:

i) The Company leases its Canadian office space from Palos Management Inc ("PMI"). The terms of the lease are similar to those that would have been present for an arm's-length transaction. PMI is indirectly owned by The Marleau Capital Corporation ("MCC"). Philippe Marleau, a director of the Company, holds a significant interest in MCC and therefore MCC is deemed to have significant influence over the Company. The Company made payments totaling approximately $0.1 million and $0.2 million to PMI for the three-and six-month period ended June 30, 2023 and 2022, under the terms of the lease. Future non-cancellable liabilities under the lease are $1.2 million as at June 30, 2023.

ii) The Company sells loans to funds managed by NB Specialty Finance Fund LP ("NB"). NB is deemed to have significant influence over the Company as they are a significant shareholder of the Company. For the six-month period ended June 30, 2023, the Company sold loans to NB in the amount of US$59.0 million (2022: US$72.2 million) and earned service fees of $2.1 million (2022: $3.2 million) from loans sold. The Company has approximately $4.5 million in receivables from NB as at June 30, 2023 (2022: $5.6 million) for servicing fees earned and purchase price deferred on loans sold.

16. Subsequent Event

On July 14, 2023, the Company announced that it had entered into an arrangement agreement dated July 13, 2023 to be acquired for a cash consideration of $0.22 per share by 9494-3677 Québec Inc., a corporation created by a group composed of (i) NB Specialty Finance Fund LP, a fund managed by Neuberger Berman Investment Advisers LLC, (ii) funds managed by Palos Capital, including Palos IOU Inc., and (iii) Fintech Ventures Fund, LLLP, pursuant to a statutory plan of arrangement under Chapter XVI – Division II of the Business Corporations Act (Québec) (the "Arrangement"). The Arrangement is subject to customary closing conditions for a transaction of this nature, including Shareholders and court approvals and applicable regulatory approvals. A special meeting where Shareholders will be asked to consider and, if deemed advisable, to approve the Arrangement is scheduled to be held as a virtual-only meeting conducted by live videoconference at https://web.lumiagm.com/412704157 on September 12, 2023.